

MINUTE

B - Public

**Special Shetland Islands Council
Council Chamber, Town Hall, Lerwick
Tuesday 22 September 2015 at 11.00 am**

Present:

M Bell	M Burgess
P Campbell	G Cleaver
S Coutts	A Duncan
B Fox	R Henderson
G Robinson	D Sandison
C Smith	G Smith
T Smith	M Stout
J Wills	A Westlake
A Wishart	V Wishart

Apologies

A Cooper	A Manson
D Ratter	F Robertson

In Attendance (Officers):

M Boden, Chief Executive
C Ferguson, Director of Corporate Services
J Belford, Executive Manager – Finance
J Riise, Executive Manager – Governance and Law
R Sinclair, Executive Manager – Capital Programme
C Anderson, Senior Communications Officer
L Brown, Management Accountant
L Geddes, Committee Officer

Also in Attendance

P Lindsay, Audit Scotland
D McConnell, Audit Scotland
G Samson, Audit Scotland

Chair:

Mr M Bell, Convener of the Council, presided.

Circular:

The circular calling the meeting was held as read.

The Chair ruled that due to special circumstances, namely that a report was not published within the Agenda but the information contained therein will inform the Council's debate on the Notice of Motion already tabled (which will become Agenda Item 1.2), the following item is to be considered at this meeting in terms of paragraph 3.2.2 of the Council's Standing Orders for Meetings:

Agenda Item 1.1 – Participation in the Syrian Vulnerable Persons Relocation Scheme

Declarations of Interest

Dr Wills declared an interest in the accounts as a Trustee of Shetland Charitable Trust, and as a recipient of a loan from the former Shetland Development Trust.

Mr Duncan declared an interest as a Trustee of Shetland Charitable Trust and as a Director of Voluntary Action Shetland. He advised that he would leave the Chamber during any discussion on pensions as his wife was a beneficiary.

Mr T Smith declared an interest in Agenda Item 9 “Asset Strategy – Transfer of Land” as a member of Hjaltland Housing Association Management Committee.

Ms Westlake and Mr Henderson declared an interest as Trustees of Shetland Charitable Trust.

51/15 **Participation in the Syrian Vulnerable Persons Relocation Scheme**

The Council considered a report by the Chief Executive (CE-04-F) in response to the notice of motion regarding the UK Government’s Syrian Vulnerable Persons Relocation Scheme (the Scheme).

The Chief Executive summarised the main terms of the report, advising that it provided information to Members to assist in consideration of the Notice of Motion, and in making a decision on that motion without having to compile a further report. The decision of the Shetland Partnership Board on 17 September was outlined, and the Council may wish to note the report and move on to debating the Notice of Motion.

It was noted that there was a typographical error in the report, and that paragraph 3.1.3 should read “...accept 2,000 refugees or 10% of the total...”.

The Chief Executive and the Convener then responded to questions, and the Council noted the following:

- There wasn’t a register of vacant properties in Shetland, although information was available regarding Council and Hjaltland Housing Association (HHA) stock. It was intended that work would take place with the community and voluntary sector in respect of housing.
- It had been advised at the recent COSLA meeting that the people coming to the UK would be the most vulnerable. The Home Office would be dealing very carefully with allocations and, certainly in the early stages, it was likely to be councils closer to the centre where there were already support systems in place who would receive allocations. Many of these councils were already participating in this scheme and it was likely that if any did come to Shetland, it would be very small numbers of people. The Council would be able to check if it had the capacity and capability to support any individuals or families it was allocated before they arrived.
- The money for the Scheme would come from the UK Government, and funding would be provided for a period of 12 months. Some consideration was being given as to whether this could be extended. The point had been made that the cost of living in Shetland was higher, and this would form part of the considerations.
- Families or individuals would be allocated to participating areas. After they had received a humanitarian card which allowed them protection for five years, they would be free to move around the country to seek work, although the Home

Office funding would remain in the area they were originally allocated. From earlier experience, it was apparent that people tended to stay in the area where they were originally located.

- Approval of the report meant that the Council would be entering into dialogue with the Home Office to participate in the Scheme. The Home Office would not be entering into dialogue with councils that had not agreed to participate in the Scheme.

The Council noted the terms of the report.

Decision:

The Council noted the terms of the report.

52/15

Notice of Motion

The Council considered a Notice of Motion [1], in the following terms: “The Shetland Community has traditionally aided those in need wherever they are in the world. The response to the Syrian Refugee Crisis has been outstanding already and there is an opportunity for Shetland to play its part in the national response. To that end Shetland Islands Council resolves to volunteer to participate in the Syrian Vulnerable Persons Relocation Scheme and to work with Scottish Government, its Community Planning Partners and the Shetland community to deliver the Scheme”.

The Leader summarised the terms of the Notice of Motion, advising that all 32 local authorities had responded to the call for assistance within 24 hours. The Government Scheme was the route via which refugees would arrive, and it would be a co-ordinated programme. He did not anticipate that there would be any impact on the Council or HHA waiting lists, and he was aware of housing offers from the private sector and individuals. It was important that the Council did what it could to help these refugees, and something that he was happy to support.

Mr Robinson went on to move that the Council adopt the motion, Mr Fox seconded, and the Council concurred.

During the discussion that followed, Members reiterated their support for participation in the Scheme. However it was noted that there were many people in many different countries that were currently displaced, and this was something that would require an international response. It was suggested that the Council should ensure that it expressed its concern to the UK Government that it should be making attempts to address the situation regarding all refugees by looking at its overall policy and strategy as part of the wider political community. It was a major political problem that would require international policy change and an international response for a solution in the longer term.

Decision:

The Council **RESOLVED** to volunteer to participate in the Syrian Vulnerable Persons Relocation Scheme and to work with Scottish Government, its Community Planning Partners and the Shetland community to deliver the Scheme.

53/15

Chair’s Report – Social Services Committee – 30 July 2015
Health and Social Care Integration Update Report

The Council considered a report by the Chair of Social Services Committee (SIC-0922-CRP-10) which highlighted the activities that were being undertaken to

complete the Transition Programme and identified the monitoring and review arrangements being put in place for the new governance and support arrangements.

Mr C Smith summarised the main terms of the report, and went to move that the recommendation be approved.

Mr Cleaver seconded.

In response to a query as to why the Group would be meeting in private, given that two public organisations were involved, Mr C Smith explained that the group was not a decision making body. It would consider issues referred to it and feed back through the relative agencies, which did hold their meetings in public.

Decision:

The Council **RESOLVED** to adopt the recommendation from the Social Services Committee, namely to agree the proposal to set up a Health and Social Care Liaison Group.

54/15

Chair's Report – Shetland College Board – 8 September 2015
University of Highlands and islands (UHI) – Highlands and Islands Students' Association (HISA)

The Council considered a report by the Chair of the Shetland College Board (SIC-0922-SCB094) which presented an update on the new HISA in relation to Shetland College.

Mr Cleaver summarised the main terms of the report, and went on to move that the recommendations be approved.

Mr G Smith seconded.

Decision:

The Council **RESOLVED** to:

- indicate that it has no objection to the substance and form of the Memorandum and Articles of Association of HISA. This will enable elections for a Depute President to progress and for HISA to be established to represent students at Shetland College UHI.
- Delegate authority to the Shetland College Board to receive, approve, modify or reject reports and management accounts from HISA.

55/15

Corporate Plan 2016-20

The Council considered a report by the Chief Executive (CE-03-15-F) which introduced the updated Corporate Plan 2016-20.

The Chief Executive summarised the main terms of the report, advising that there had been an extensive exercise involving Members to refresh the Corporate Plan at this midway stage in the Council's term. He thanked staff involved for their work on this exercise.

Members commented favourably on the Plan, saying that it set out clearly what the Council was going to do, and how it was going to do it, in a concise and clear format. It was suggested that the photos in the Plan should be clearly captioned so that the staff involved could be identified.

On the motion of Mr Robinson, seconded by Mr Fox, the Council approved the recommendation contained in the report.

Decision:

The Council **RESOLVED** to approve the Corporate Plan 2016-20.

56/15

Shetland Islands Council – Annual Audit Report on the 2014/15 Audit

The Council considered a report by the Executive Manager – Finance (F-046-F) which presented Audit Scotland's Annual Audit Report on the 2014/15 Audit.

The Executive Manager – Finance introduced Mr McConnell from Audit Scotland, who summarised the main terms of the report for Members.

Mr McConnell explained that in previous years the annual accounts had been certified in September, and this had been reported to the Council in October. However it had been felt that it was important for Members to have the fuller picture, so the annual report had been brought forward so that Members were receiving it all at the same time. He went on to say it was a very good audit report with no areas requiring attention, and he thanked Finance staff for their assistance. The Council would be facing rising demand for its services and there would be continued funding pressures. Effective management, best value, and sound governance and leadership would be important in delivering this.

Mr Duncan, Chair of the Audit Committee, asked for it to be noted that this had been the best audit report received since he had been elected to the Council in 2007, and this was due to the dedicated and professional hard work of staff. However it was important that there was no complacency as the Council would have to make some difficult decisions in future due to the financial constraints it would face as a result of cuts in government funding. He thanked the Audit Committee for their support, and Audit Scotland for their work.

In response to a query, the Executive Manager – Finance advised that Shetland Charitable Trust (SCT) financial information was shown in the latter part of the statement of accounts, and formed part of the overall financial statements.

In commenting that the Council had made substantial progress and he looked forward to seeing this continue, Mr Robinson moved that the recommendations in the report be approved.

Mr C Smith seconded.

Decision:

The Council **RESOLVED** to:

- Note Audit Scotland's Annual Audit Report on the 2014/15 Audit; and
- Approve the Action Plan.

Shetland Islands Council – Final Audited Accounts 2014/15

The Council considered a report by the Executive Manager – Finance (F-047-F) which presented the 2014/15 audited Annual Accounts for approval.

The Executive Manager – Finance advised that the accounts had received an unqualified opinion, and he thanked Audit Scotland for the work they had carried out and Council staff for their contributions. He went on to say that Finance staff had performed incredibly well through this period, and he acknowledged the contribution of the previous Executive Manager – Finance, James Gray, in laying the foundations to ensure the Council could make changes.

Dr Wills questioned if it was appropriate to include SCT's financial information in the grouping of accounts as it was, in his view, incorrect to say that the Council held 46.7% of the voting rights on the Trust. This suggested that Councillor Trustees were required to act according to instructions given by the Council, but this was not the case. Trustees were required to act in the interests of the Trust, and would be breaching their duty as Trustees if they did otherwise. The legal position was quite clear on this matter. None of SCT's assets were Council property, and there were also a number of other Trusts which had Councillor members that were not included in the accounts. He requested that Audit Scotland take this into account and correct the legal and financial position in future.

Mr McConnell explained that Audit Scotland operated on accounting standards. This was Audit Scotland's understanding of the Council's involvement, and it was accepted as such for audit purposes. It was something that had been debated for a number of years, and there were different views. However Audit Scotland was satisfied with the current position in terms of accounting judgement.

The Executive Manager – Finance confirmed that that the current approach was the one that was required by accounting standards. However this did not mean it could not be considered on an annual basis in order to justify that the accounts were being presented in the correct form. With regard to the position with other trusts, there was sometimes an issue of materiality in terms of value.

It was pointed out that SCT did not have subsidiary trusts, but that they were independent and the assets should not be included in the accounts. It was also suggested that it was misleading to state in the report that the Council held 46.7% of the voting rights on SCT.

The Executive Manager – Finance advised that he would continue to keep the situation regarding the inclusion of SCT's assets in the grouping of accounts under review. The Council was required to follow reporting standards which were different to those of charities, but where there was divergence, attempts were made to harmonise things so that there was consistency with the grouping of accounts. In response to a query as to the percentage of Councillor trustees that may lead to a change in accounting practices, he advised that he would need to get this confirmed, but he understood it was around 25%.

In moving that the recommendation in the report be approved, Mr Robinson paid tribute to staff for their hard work in preparing the information and delivering an excellent outturn, and to Members who had seen through some very difficult changes in order to get to this stage.

Mr Duncan seconded.

Dr Wills requested that his dissent from the otherwise excellent accounts be minuted.

Tribute was also paid to the former Chief Executive, Mr Buchan, for setting the Council on the right course to achieve this situation.

Decision:

The Council **RESOLVED** to approve the Shetland Islands Council audited Annual Accounts for 2014/15 for signature.

58/15

Zetland Educational Trust – ISA 260 Report on the 2014/15 Audit

The Council considered a report by the Executive Manager – Finance (F-050-F) which presented Audit Scotland's ISA 260 Report on the 2014/15 Audit.

Mr McConnell advised that there were no matters requiring attention, and he thanked Finance staff for their support.

On the motion of Mr C Smith, seconded by Mr Robinson, the Council approved the recommendation in the report.

Decision:

The Council noted Audit Scotland's ISA 260 Report on the 2014/15 Audit.

59/15

Zetland Educational Trust – Final Audited Accounts 2014/15

The Council considered a report by the Executive Manager – Finance (F-051-F) which presented the Zetland Educational Trust's 2014/15 audited Annual Accounts for approval.

In response to a query, the Executive Manager – Finance advised that there had been a change in the requirements relating to the auditing of trusts that were the responsibility of local authorities. This required a specific audit to be carried out, and this was reflected in the charge that had been applied.

It was suggested that the fee that had been applied was excessive in proportion to the value of the Trust, and that it was contrary to the Trust's aims.

The Executive Manager – Finance said that the changes that had been instigated were as a result of OSCR requirements and that there had been debate nationally about this. Accounting practices had been followed locally, but the Council could consider whether or not to change the fee that had been applied. The issue had been raised previously regarding the level of returns and whether there was any opportunity to increase these, and he was preparing a report for the Education and Families Committee on this matter. This report could also include consideration of the audit fee applied.

Mr Robinson moved that the recommendation in the report be approved, but noted the concern expressed regarding the fee.

Mr C Smith seconded.

Decision:

The Council **RESOLVED** to approve the Zetland Educational Trust's audited Annual Accounts for 2014/15 for signature.

In order to avoid the disclosure of exempt information, Mr Bell moved, Mr C Smith seconded, and the Council RESOLVED to exclude the public in terms of the relevant legislation during consideration of the following item of business.

60/15 **Asset Strategy – Transfer of Land**

The Council considered a report by the Executive Manager – Capital Programme.

The Executive Manager – Capital Programme summarised the main terms of the report.

The Executive Manager – Capital Programme, the Executive Manager – Governance and Law, and the Chief Executive then responded to questions from Members.

Following some further discussion, Mr Robinson moved that the recommendation in the report be approved, with the inclusion of a further condition to reflect the discussion that had just taken place.

Mr Fox seconded.

Decision:

The Council approved the recommendations in the report, with the inclusion of a further condition.

The meeting concluded at 12.50pm.

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Convener